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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC No. 01305-84/1
27 February 1984

MEMORANDUM FOR: See Distribution

FROM:

[redacted]
Assistant National Intelligence Officer
for Western Europe

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SUBJECT: Meeting on Forecast and Warning -- Western Europe

1. Attached is my report to the DCI based on our meeting held 22 February 1984. If there are any significant amendments or additions you would wish to make, please let me know. (U)

2. Next month's warning meeting will be on 21 March 1984 at 1000 in room 7-E-62, CIA Headquarters. Please have your clearances passed and call [redacted] with names of the attendees by the opening of business on 20 March 1984. (U)

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3. I also encourage you to phone in suggestions for the agenda and proposals to make opening presentations. It would be helpful to have your comments for the next meeting by Monday, 12 March 1984. (U)

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Attachment
NIC 01305-84

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The Director of Central Intelligence

Washington, D.C. 20505

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NIC NO. 01305-84

28 February 1984

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

THROUGH: National Intelligence Officer for Warning

FROM: [REDACTED]
Assistant National Intelligence Officer
for Western Europe

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SUBJECT: Monthly Forecast and Warning Meeting

I. Mitterrand at Mid-Term: Setting for Washington Visit

1. There is little evidence to suggest that Mitterrand will seek to be contentious during his March visit, but analysts expect that he will be prepared to discuss East-West relations, Lebanon, US economic policies and Central America--which will inevitably demonstrate that French perspectives are often parallel but seldom identical to US views. On East-West matters, the French probably do not expect any dramatic Soviet initiatives for another few months, but will counsel the US not to create the impression of American intransigence. At the moment Paris is probably more concerned about possible US initiatives, and Mitterrand may probe his US interlocutors to determine whether Washington is contemplating a START/INF merger that could risk drawing French forces into the US-Soviet arms control arena. Analysts believe Lebanon will remain a major concern to Paris, and Mitterrand could press the US to accept the notion that a larger Middle East settlement is the only way to rescue Western interests in Lebanon (see later MNF discussion). Economic issues will be the third major theme of Mitterrand's visit, especially given the key French role in EC agricultural and budget deliberations. Mitterrand will probably stress that Europeans generally are concerned about American protectionism, and that the US should be more

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understanding of European economic problems. Central America is also bound to surface as an issue, if only because Mitterrand will be visiting Washington around the time of the El Salvador elections. Analysts expect that the press will be probing for French-US disagreements. They do not believe that Mitterrand will want a major dispute with Washington on this subject, although he will not dodge the issue either.

II. MNF in Lebanon

2. In spite of the nearly complete withdrawal of British and Italian MNF from Lebanon, analysts agree that no precipitous French withdrawal is likely, given France's historical involvement in the region and its major interests (including 4-5,000 nationals in Beirut) in Lebanon. Drawing down and redeploying French forces to southern Lebanon will reduce French vulnerability to attack and relieve Paris of the domestic costs of remaining in Lebanon. However, the primary goal of French policy is to find a political solution to the present civil war that does not shut Paris out of Lebanon's future. Indeed, Paris believes that only a political settlement among the warring factions will permit the insertion of a UN force. In the meantime, some French forces will remain in Lebanon.

3. Analysts believe that French interests in retaining influence in the region will force Paris to align itself with the US in opposing Moscow's demand that Paris and Washington relinquish their rights of involvement in Lebanon as the price of a UN peacekeeping force. However, French interests in a Lebanese settlement are likely to diverge from those of the US to the extent that Paris perceives Washington as unwilling to support the abrogation of the 17 May Israeli-Lebanese accord. The French are also disconcerted by what they see as Washington's increasing disengagement from the Lebanese problem. However, some analysts believe that Paris holds out the hope that Washington might now acquiesce in broader Mideast discussions, ones that tackle the Palestinian problem. Recent reporting suggests that the French are considering revising their 1982 Franco-Egyptian initiative calling for broad-based negotiations--including regional states, the US, the Soviets and the PLO--that would recognize Palestinian self-determination. Mitterrand might even raise this proposal during his March visit.

III. Prospects for Italian Elections

4. Analysts generally agree that Socialist Prime Minister Craxi's government has about an even chance of surviving until this summer. The onset of labor strikes and active opposition by the Communist Party (PCI) to the government's economic policies has raised the possibility of new elections between now and June; however, disagreement among non-Communist and Communist labor unions over the Craxi government's efforts to limit cost-of-living increases has blunted the PCI's attack, and internal disarray within the Christian Democratic (DC) party makes it an inopportune moment for a dissolution of the five-party government coalition.

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5. If the Craxi government falls, analysts do not believe that a formal PCI-DC government is yet possible. Cooperation between the PCI and other parties is growing, but full Communist participation in government faces numerous obstacles. The PCI would have many conditions attached to its participation that could block such an alliance. Also, the DC rank-and-file would probably view such a PCI-DC government as a volte face to its long policy of opposing a Communist role in governing Italy and would be critical of DC leaders who placed personal advancement over party principle. More likely outcomes include: a government of technical experts more sympathetic to PCI views; a DC-led government that buys PCI toleration by allowing a PCI member to hold a minor ministry; or another Craxi-led coalition in which the DC is able to exert greater influence by virtue of its bringing down the first Craxi government.

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IV. Watching Brief: Netherlands and INF

6. While there is no great danger as yet that the Dutch will reject INF, analysts agree that there is a possibility that the Dutch government will again delay its decision to support INF basing. Defense Minister de Ruiter--an INF skeptic within the Christian Democratic Party--has stated, however, that he cannot support another delay in the Dutch decision that permits construction contracts to go forward. This could complicate preparations necessary to meet scheduled deployments in late 1986. Prime Minister Lubbers would like to avoid having de Ruiter resign and take some party parliamentarians with him, even if the government could still marshal a parliamentary majority without the complete support of his own party. Analysts believe that Dutch thinking on how to manage this problem may be evolving, and Foreign Minister van den Broek's visit to Washington this week could clarify whether a Dutch decision on INF will be made this Spring.

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